

Message Text

UNCLASSIFIED

PAGE 01 CARACA 09519 061632Z

47

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 XMB-04 /022 W
----- 034378

P R 061456Z AUG 76
FM AMEMBASSY CARACAS
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 4265

UNCLAS CARACAS 9519

PASS TO OED/MEPD AND OIM, STATE ALSO PASS EXIMBANK

E.O. 11652: N/A
TAGS: BENC, VE
SUBJECT: MAJOR PROJECT: CARACAS SUBWAY

REF: STATE 4001, CARACAS 9229, CARACAS 0032

1. SUMMARY: THIS REPORT BASED ON EXTENSIVE DISCUSSION WITH DR. JOSE GONZALEZ LANDER, DIRECTOR OFICINA DE PROYECTOS Y OBRAS DEL METRO DE CARACAS, MOP. LIST OF PREQUALIFIED BIDDERS WILL BE PUBLISHED SATURDAY. CONSORTIA MUST BE FORMALIZED WITHIN TWO WEEKS. EQUIPMENT SPECIFICATIONS STILL NOT FINALIZED. SUPPLIER CREDIT SEEN AS KEY TO SUCCESSFUL US BID. METRO OFFICIAL VISITING WASHINGTON AND EXIMBANK DURING OCTOBER. MEPD REQUESTED CONTACT PULLMAN AND OTHER US BIDDERS. END SUMMARY.

2. ACTION REQUEST: ASIDE FROM THE NEED TO SECURE FINANCING AND THE UNDEFINED TECHNICAL SPECIFICATIONS, ONE URGENT PROBLEM CONCERNING PULLMAN ET AL IS THE SHORT TIME LEFT TO FORM THEIR CONSORTIUM AND THEIR LACK OF A LOCAL OFFICE OR REPRESENTATIVE IN VENEZUELA. MEPD REQUESTED INFORM PULLMAN/WABCO/H.K. PARSONS OF THE CONTENTS THIS MESSAGE AND PARTICULARLY OF THE REQUIREMENT TO PRESENT LETTER OF INTENT TO BID AS A CONSORTIUM.

3. TIMING. LIST OF PREQUALIFIED BIDDERS WILL BE PUBLISHED SATURDAY, AUGUST SEVENTH. WITHIN FIFTEEN DAYS CONSORTIA WILL HAVE TO SUBMIT LETTER OF INTENT TO BID AS A CONSORTIUM, IDENTIFY CONSORTIUM MEMBERS, ETC. SPECIFICATIONS WILL BE ISSUED TO QUALIFIED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CARACA 09519 061632Z

CONSORTIA ON SEPTEMBER ONE. FINAL COMMENTS AND SUGGESTED TECHNICAL

REVISIONS WILL BE RECEIVED BY THE METRO FOR A PERIOD OF FIFTEEN DAYS, WHEREUPON METRO WILL ANALYZE AND INDICATE FINAL DECISIONS ON SPECIFICATIONS BY OCTOBER SIXTH. FINAL BIDS DUE JANUARY EIGHTEEN.

4. BIDDING REQUIREMENTS. AS INDICATED IN EARLIER COMMUNICATIONS, BIDS WILL BE ENTERTAINED ONLY FROM CONSORTIA. SEE PARA ABOVE RE TIMING. PACKAGE BID SHALL INCLUDE FOUR MAJOR COMPONENTS, ROLLING STOCK, TRAIN CONTROL AND COMMUNICATIONS, ELECTRIFICATION, AND TRACKS, AS WELL AS INSTALLATION AND FINAL TEST. ALL CONSORTIUM MEMBERS WILL HAVE TO SHARE RESPONSIBILITY FOR DELIVERY ON TIME AND TO SPECIFICATIONS. CONSORTIUM WILL BE VIEWED IN VENEZUELA AS A SINGLE VENEZUELAN LEGAL ENTITY. BID WILL BE IN TWO PARTS, A FIRM BID FOR THE 140 CARS AND OTHER MATERIALS FOR THE PRO-PATRIA/CHACAITO SECTION (PARA THREE OF CARACAS 0032 1/2/76) WITH AN OPTION TO OFFER THE 102 CARS AND OTHER MATERIAL FOR THE CHACAITO-PETARE SECTION (PARA FOUR OF REFTEL). THESE LATTER ITEMS WILL HAVE TO BE BID AT A FIRM PRICE, WITH AN ESCALATION FORMULA TO TAKE FUTURE INFLATION INTO ACCOUNT. THE REASONING BEHIND THIS TACTIC, ACCORDING TO GONZALEZ LANDER, IS NOT TO BE AT THE SUPPLIER'S MERCY WHEN IT COMES TIME TO BUY THE SECOND SET OF EQUIPMENT. MECHANICAL EQUIPMENT, REFRIGERATION, AND ESCALATORS CAN BE BID SEPARATELY, APPARENTLY, AND WERE NOT DISCUSSED.

5. EQUIPMENT SPECIFICATIONS. CONTRARY TO OUR EARLIER REPORT, SPECIFICATIONS WILL BE ISSUED IN NOT QUITE FINAL FORM. SEE PARA THREE RE TIMING. WHEN QUESTIONED RE SUBWAY CAR DIMENSIONS, GONZALEZ LANDER REPLIED ONLY THAT HE WAS NOT FAMILIAR WITH ALL TECHNICAL DETAILS. HE INDICATED THAT CAR HEIGHT SPECS MIGHT HAVE TO BE INCREASED SLIGHTLY TO ACCOMMODATE AIR CONDITIONING UNITS IN THE ROOF BUT THAT A FINAL DECISION HAD NOT BEEN TAKEN.

6. PREQUALIFIED BIDDERS. THE LIST WILL BE PUBLISHED SATURDAY. GONZALEZ LANDER INDICATED THE FOLLOWING FIRMS WOULD APPEAR:

A) WESTINGHOUSE-BUDD-MAFERZA (A BRAZILIAN FIRM WHICH BUILT CARS FOR THE RIO AND SAO PAULO SUBWAYS?)

B) GENERAL ELECTRIC-WABCO.

C) PULLMAN-WABCO-H.K. PORTER.

THE FIRST TWO GROUPS HAVE ALREADY INDICATED THEY PLAN TO BID AS A CONSORTIUM ACCORDING TO GONZALEZ LANDER, BUT HE EXPRESSED WORRY THAT PULLMAN ET AL MIGHT NO COALESCE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CARACA 09519 061632Z

7. FINANCING. GONZALEZ LANDER SEVERAL TIMES RETURNED TO THE THEME QUOTE US SUPPLIERS SHOULD HAVE NO PROBLEM FROM A TECHNICAL VIEW-POINT, THE CARACAS METRO COULD LOOK MUCH LIKE THE WASHINGTON METRO, BUT FINANCING WILL BE A PROBLEM UNQUOTE. ALL IMPORTED MATERIALS MUST BE FINANCED BY SUPPLIER CREDIT FROM THE COUNTRY OF ORIGIN AND THE CONSORTIA PRICE OFFERS MUST INCLUDE A FINANCING OFFER. IN THIS REGARD, GONZALEZ LANDER NOTED THAT THERE IS A

LOCAL COST COMPONENT, I.E., INSTALLATION OF RAILS, ELECTRIFICATION, RUN-IN TESTING OF CARS AND CONTROL SYSTEMS, BUT HE DID NOT SPECIFY WHETHER THE METRO WOULD REQUIRE FINANCING OF LOCAL COSTS. GOV WOULD BE BORROWER. METRO CONSIDERS FINANCING SO CRUCIAL AN ASPECT OF BID PROCESS THAT GOV MISSION WILL VISIT CONSORTIA HOST COUNTRIES DURING SEPTEMBER AND OCTOBER. GONZALEZ LANDER PLANS TO VISIT EXIMBANK OCTOBER 18 AND 19.

8. FUTURE OPPORTUNITIES. METRO AUTHORITIES ARE NOW HOLDING DISCUSSIONS WITH PARSONS BRINCKERHOF AIMED AT A NEGOTIATED CONTRACT UNDER WHICH LATTER WOULD SUPERVISE CIVIL WORKS CONTRACTS AND THE PURCHASE/INSTALLATION OF EQUIPMENT. GONZALEZ LANDER EXPRESSED SURPRISE THAT NO US FIRMS HAD COME FORWARD TO BID ON THE VARIOUS STAGES BETWEEN PRO-PATRIA AND CHACAITO WHICH ARE NOW UNDER CONSTRUCTION OR LICITATION. HE INDICATED THAT THE EIGHT KILOMETER STRETCH FROM CHACAITO TO PETARE WOULD BE ALL TUNNEL WORK AND MIGHT BE BID OUT IN ONE OR TWO LARGE CONTRACTS. HE HINTED THE METRO WOULD WELCOME FOREIGN CONSTRUCTION FIRMS. TIMING IS 1977/78.

VAKY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 06 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CARACA09519
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760303-1170
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760880/aaaacshb.tel
Line Count: 135
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 4001, 76 CARACAS 9229, 76 CARACAS 32
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 08 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 APR 2004 by ReddocGW>; APPROVED <14 DEC 2004 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: CARACAS SUBWAY
TAGS: BENC, VE
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006